

FILED

APR 14 1986

INTERSTATE  
COMMERCE COMMISSION

James Bayne  
Interstate Commerce Commission  
Washington, D.C. 20423

RECORDATION NO. 13207-9 Filed 1986

APR 14 1986 - 3 55 PM

INTERSTATE COMMERCE COMMISSION

Dear Mr. Bayne

Enclosed for recordation under the provisions of 49 USC 11303(a) are the original and six counterparts of an Amendment to Equipment Lease dated as of March 1, 1986. The Equipment Lease to which said amendment relates is dated as of July 1, 1981 and was filed with your office at 12:20 p.m. July 31, 1981 and given Recordation No. 13207. Said Amendment is a secondary document.

A general description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached to this letter and made a part hereof.

The names and addresses of the parties are:

No. <u>6104A089</u>	Lessor:	First Commercial Bank 550 J Street Sacramento, California 95803
Date <u>4-14-86</u>		
Fee \$ <u>8/000</u>		
ICC Washington, D.C.	Lessee:	United States Rail Services, Inc. 733 Front Street San Francisco, California 94111

The undersigned acted as special counsel in connection with the preparation of the enclosed document and has knowledge of the matters set forth therein.

Please return the original and five copies of said amendment to Deborah G. Page, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603.

Also enclosed is a check in the amount of \$10.00 covering the required recording fee.

A short summary of the enclosed secondary document to appear in the Index follows:

*Deborah G. Page*

Amendment to Equipment Lease between First Commercial Bank, as Lessor, 550 J Street, Sacramento, California 95803, and United States Rail Services, Inc., as Lessee, 733 Front Street, San Francisco, California 94111, covering 190 100-ton, 4750 cubic feet covered hopper cars and 24 23,500 gallon tank cars.

Very truly yours,

CHAPMAN AND CUTLER

By Deborah G. Page  
Deborah G. Page

Enclosures

## SCHEDULE A

### DESCRIPTION OF ITEMS OF EQUIPMENT

Sixty (60), 100-ton, 4750 cubic foot covered hopper cars, Thrall Job No. 790-D with design changes to conform to Specification HC-100-47-224, manufactured by Thrall Car Manufacturing Company and bearing reporting marks and nos. as follows:

PCN 5104	RUSX 5105	AN 9010	BXN 5168
PCN 5109	RUSX 5106	AN 9011	BXN 5219
PCN 5115	RUSX 5108		BXN 5223
PCN 5140	RUSX 5126		BXN 5224
PCN 5141	RUSX 5127		
PCN 5149	RUSX 5128		
PCN 5162	RUSX 5129		
PCN 5163	RUSX 5130		
PCN 5164	RUSX 5131		
PCN 5165	RUSX 5132		
PCN 5166	RUSX 5133		
PCN 5167	RUSX 5134		
PCN 5169	RUSX 5135		
PCN 5170	RUSX 5136		
PCN 5192			
PCN 5202			
PCN 5203			
PCN 5204			
PCN 5205			
PCN 5206			
PCN 5207			
PCN 5208			
PCN 5209			
PCN 5210			
PCN 5211			
PCN 5212			
PCN 5213			
PCN 5214			
PCN 5215			
PCN 5216			
PCN 5217			
PCN 5220			
PCN 5221			
PCN 5222			
PCN 5225			
PCN 5226			
PCN 5228			
PCN 5230			
PCN 5231			
PCN 5233			

13207 J  
REGISTRATION NO. .... Filed 1986

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INTERSTATE COMMERCE COMMISSION

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AMENDMENT TO EQUIPMENT LEASE

Dated as of March 1, 1986

between

FIRST COMMERCIAL BANK

Lessor

and

UNITED STATES RAIL SERVICES, INC.

Lessee

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USRS LEASE NO. 7

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## AMENDMENT TO EQUIPMENT LEASE

AMENDMENT TO EQUIPMENT LEASE dated as of March 1, 1986 between FIRST COMMERCIAL BANK, a California corporation (the "Lessor") and UNITED STATES RAIL SERVICES, INC., a California corporation (the "Lessee").

WHEREAS, the Lessor and the Lessee have heretofore executed and delivered that certain Equipment Lease dated as of July 1, 1981 and that certain Amendment to Participation Agreement and Lease dated as of October 1, 1981 (said Equipment Lease as so amended being herein called the "Original Lease") pursuant to which the Lessor leased to the Lessee 60 100-ton 4750 cubic foot covered hopper cars manufactured by Thrall Car Manufacturing Company, marked and numbered TC 794 to TC 853, both inclusive, which cars, following changes to the marks and numbers thereon, are identified as currently marked and numbered in Schedule 1 hereto (the "Equipment"); and

WHEREAS, said Equipment Lease was recorded in the Office of the Secretary of the Interstate Commerce Commission on July 31, 1981 at 12:20 P.M. and was given Recordation No. 13207; and

WHEREAS, the Original Lease was entered into as part of the lease financing of the Equipment more fully provided for in a Participation Agreement dated as of July 1, 1981 among the Lessor, the Lessee, United States Leasing International, Inc., a California corporation (the "Parent"), and Chemical Business Credit Corp. ("CBCC"), pursuant to which the Lessor acquired the Equipment by application of sums advanced by it and the proceeds of a loan by CBCC, which loan was evidenced by the Lessor's 15% Non-Recourse Secured Note dated July 31, 1981 in the original principal amount of \$1,732,103.76; and said 15% Non-Recourse Secured Note was surrendered by CBCC in exchange for a new 15% Non-Recourse Secured Note of the Lessor dated December 22, 1981 in the amount of \$1,641,867.81 (the "Interim Note") pursuant to the Amendment to Participation Agreement and Lease referred to above (said Participation Agreement as amended by said Amendment being hereinafter referred to as the "Interim Participation Agreement"); and

WHEREAS, subsequent to the execution and delivery of the Agreements described above, CBCC entered into an Assignment dated September 20, 1982 with Chemical Bank (hereinafter referred to as the "Interim Lender") pursuant to which CBCC transferred to the Interim Lender all of CBCC's right, title and interest in and to the Interim Note, the Interim Security Agreement (as defined in the Term Financing Participation Agreement hereinafter referred to) and all collateral thereunder including the Equipment, the Original Lease and all payments to be made thereunder; and

WHEREAS, Section 12 of the Interim Participation Agreement required that the Lessor would, at the request of the Lessee, issue its Secured Notes at some future date during the term of the Original Lease in order to refinance the Interim Note and that, in such event the Original Lease would be modified to adjust as provided herein the amounts of Basic Rent, Casualty Value and Termination Value payable thereunder in accordance with the terms and provisions of said Section 12; and

WHEREAS, the Lessee has now requested the issuance of the Lessor's Secured Notes and in response thereto and in order to pay in full the outstanding principal balance of the Interim Note and a prepayment premium thereon, the Lessor now proposes to sell to New England Mutual Life Insurance Company (the "Note Purchaser") the 10% Secured Notes due 1986-1997 (the "Notes") of the Lessor in an aggregate principal amount not exceeding \$1,462,150.28; and

WHEREAS, in order to provide for the sale of the Notes to the Note Purchaser, the Lessor proposes to enter into a Term Financing Participation Agreement dated as of March 1, 1986 (the "Term Financing Participation Agreement") with the Lessee, the Parent and the Note Purchaser, and to secure the Notes by entering into a Security Agreement dated as of March 1, 1986 (the "Security Agreement") from the Lessor to the Note Purchaser, as secured party thereunder, providing for a first lien on and security interest in the Equipment, the Original Lease, as amended hereby, the Lease Guaranty (as defined in the Security Agreement) and the rentals and other sums due and to become due under said agreements; and

WHEREAS, in order to induce the Note Purchaser to purchase the Notes, the proceeds of which are to be applied to the refinancing of the Interim Note, and to further induce the Note Purchaser to enter into the Security Agreement as security for the Notes and to provide for the adjustments to the Original Lease and certain additional matters contemplated by Section 12 of the Interim Participation Agreement or requested by the Note Purchaser, the Lessor and the Lessee desire to amend the Original Lease as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt whereof is hereby acknowledged, the Lessor and the Lessee agree that the Original Lease shall be deemed to be and is hereby amended upon the execution and delivery of this Amendment (but subject also to the fulfillment of the conditions to be satisfied on the Closing Date under the Term Financing Participation Agreement) and effective with respect to acts and events occurring from and after such date as follows:

1. Section 1(d) of the Original Lease is hereby amended in the following respects:

(a) The terms "Business Day", "Lender", "Notes" and "Security Agreement" shall be deleted from paragraph (7) of said Section 1(d).

(b) Paragraph (10) of said Section 1(d) shall read in full as follows: "(10) Overdue Rate shall mean 11% per annum, calculated on the basis of a 360-day year consisting of 12 30-day months."

(c) Paragraph (11) of said Section 1(d) shall read in full as follows:

"(11) Participation Agreement shall mean collectively the Participation Agreement, dated as of the date hereof, among the Lessee, the Lessor, United States Leasing International, Inc. and Chemical Business Credit Corp. as amended by the Amendment to Participation Agreement and Lease dated as of October 1, 1981, among said parties and the Term Financing Participation Agreement."

(d) The following paragraphs numbered (12) through (17), inclusive, shall be added following Section (11):

"(12) Accrued Rent shall mean the amounts payable pursuant to Section 3(b) hereof.

(13) Business Day shall mean any day other than a Saturday, Sunday or other day on which banks in the cities of New York, New York, San Francisco, California or Boston, Massachusetts are authorized or required to close.

(14) Lender shall mean New England Mutual Life Insurance Company.

(15) Notes shall mean the 10% Secured Notes due 1986-1997 of the Lessor issued pursuant to the Term Financing Participation Agreement.

(16) Security Agreement shall mean the Security Agreement dated as of March 1, 1986 from the Lessor to the Lender.

(17) Term Financing Participation Agreement shall mean the Term Financing Participation Agreement dated as of March 1, 1986, among the Lessor, the Lessee, United States Leasing International, Inc. and the Lender."

2. For the purpose of stating the rentals payable after January 31, 1986, Section 3(b) of the Original Lease is hereby amended as follows:

(a) The first sentence thereof is hereby deleted and the following sentences are substituted in lieu thereof:

"The Lessee shall pay to the Lessor as Accrued Rent for each Item of Equipment subject to this Lease an amount equal to (i) 1.741081% of Owner's Cost thereof for the period from and including January 31, 1986 to but not including April 15, 1986, and (ii) 3.202033% of Owner's Cost thereof for the period from and including April 15, 1986 to but not including July 31, 1986. The Lessee shall pay to the Lessor as Basic Rent for each Item of Equipment subject to this Lease, twenty-six (26) consecutive semi-annual installments, the first thirteen (13) such installments to be each in an amount equal to 4.374353% of the Owner's Cost thereof and the final thirteen (13) such installments to be each in an amount equal to 5.295354% of the Owner's Cost thereof."

(b) The second sentence thereof is hereby amended by deleting the phrase "Section 12 of the Participation Agreement,".

3. Section 3(c) of the Original Lease is hereby amended by deleting the first sentence thereof and substituting the following sentences in lieu thereof:

"The Accrued Rent payable pursuant to clause (i) of the first sentence of Section 3(b) hereof shall be paid on April 15, 1986, and the Accrued Rent payable pursuant to clause (ii) of the first sentence of Section 3(b) hereof shall be paid on July 31, 1986. The installments of Basic Rent for each Item of Equipment shall be due and payable on the 31st day of each January and July during the term hereof commencing January 31, 1987 and with a final payment due on July 31, 1999 (Basic Rent Dates)."

4. Section 4(b) of the Original Lease is hereby amended to read in full as follows:

"(b) Assignment by Lessor.

This Lease and all rent and all other sums due or to become due hereunder may be assigned in whole or in part by the Lessor without the consent of the Lessee, but the Lessee shall be under no obligation to any assignee



of the Lessor except upon written notice of such assignment from the Lessor. Upon notice to the Lessee of any such assignment, the rent and other sums payable by the Lessee which are the subject matter of the assignment shall be paid to or upon the written order of the assignee. Without limiting the foregoing, the Lessee further acknowledges and agrees that (i) the rights of the Lessor and any such assignee in and to the sums payable by the Lessee under any provision of this Lease shall not be subject to any abatement whatever whether by reason of failure of or defect in the Lessor's title, or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof, or by reason of any other indebtedness or liability, howsoever and whenever arising, of the Lessor to the Lessee or to any other person, firm or corporation or to any governmental authority or for any cause whatsoever, it being the intent hereof that, except in the event of a wrongful act on the part of such assignee, the Lessee shall be unconditionally and absolutely obligated to pay such assignee all of the rents and other sums which are the subject matter of the assignment, (ii) said assignee shall, if an Event of Default, or any event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, shall have occurred and be continuing, have the sole right to exercise all rights, privileges and remedies (either in its own name or in the name of the Lessor for the use and benefit of said assignee) which by the terms of this Lease are permitted or provided to be exercised by the Lessor (except those rights, privileges and remedies of the Lessor pursuant to Sections 8, 12, 13 and 20 hereof, and Section 15 hereof, subject to the limitations set forth in Section 1.6 of the Security Agreement, which shall remain enforceable by the Lessor), but if no Event of Default or event which with the lapse of time or giving of notice, or both, would constitute an Event of Default, shall have occurred and be continuing, said assignee and the Lessor may each exercise their respective rights, privileges and remedies stated in this Lease to be provided for their respective benefits, and (iii) all obligations of the Lessor to the Lessee under this Lease shall be and remain enforceable by the Lessee against, and only against, the Lessor except in the case of an assignment by the Lessor under Section 3.4(d) of the Term Financing Participation Agreement.

It is understood and agreed that the right, title and interest of any such assignee in, to and under this Lease and the rents and other sums due and to become due hereunder shall by the express terms granting and

conveying the same be subject to the interest of the Lessee in and to the Equipment."

5. Section 5 of the Original Lease is hereby amended in the following respects:

(a) The first sentence of said Section 5 shall be amended by inserting immediately after the phrase "any Items of Equipment" the phrase "(including a termination pursuant to Section 11 or 18 hereof)".

(b) The "." at the end of Subsection (ii) of said Section 5 shall be deleted and there shall be added the following:

"; and provided, further, that in the event this Lease has been terminated pursuant to Section 18 hereof, the Lessor shall be permitted to store such items on such tracks at the risk of the Lessee until such items have been sold, leased or otherwise disposed of by the Lessor."

6. Section 9(a) of the Original Lease is hereby amended by adding the following sentence at the end of said Section:

"During the term of this Lease or any extension thereof, the Lessee shall execute and file at the Lessee's expense any documents necessary to perfect, protect and preserve in the appropriate jurisdictions, in the reasonable opinion of the Lessor and the Lender, (i) the title of the Lessor to, and (ii) the security interest of the Lender in, each Item of Equipment."

7. Section 10 of the Original Lease is hereby amended to read in full as follows:

"Section 10. Inspection.

The Lessor and its assignee pursuant to Section 4(b) hereof shall have the right, but not the duty, to inspect the Equipment. Upon the request of the Lessor or such assignee, the Lessee shall inform the Lessor or such assignee of the last known location and user of each Item of Equipment and shall, at any reasonable time, and as to Items in the possession of the Lessee, make such Items and the Lessee's records (including copies of all subleases) pertaining to the Equipment available to the Lessor or such assignee for inspection at such location. As to any Items subleased or rented by the Lessee to others, the Lessee will, within a

reasonable time, make arrangements for the Lessor or such assignee to inspect such Items and the users records pertaining to such Items in a manner which does not interfere with the usage of such Items by the Lessee's subleasing or rental customer."

8. Section 11 of the Original Lease is hereby amended in the following respects:

(a) Clause (iii) of the third sentence of Section 11(d) commencing with "and (iii) ..." and ending with "... to such Item" is deleted and the word "and" is inserted immediately preceding "(ii)" where it appears in said sentence.

(b) The first sentence of the first paragraph of Section 11(g) is amended by deleting the phrase "the due date of the fourteenth (14th) installment of Basic Rent" and substituting in lieu thereof "July 31, 1988" and by deleting the phrase "for use by the Lessee in its business or surplus to its needs".

(c) The last sentence of the third paragraph of Section 11(g) is deleted.

(d) The last paragraph of Section 11(g) is deleted and the following paragraph is substituted in lieu thereof:

"Notwithstanding the foregoing, the Lessor may at any time before such sale as of the Termination Date which would have been applicable but for such election elect to retain ownership of such Items of Equipment provided that, the Lessor may not so elect to retain ownership of such Items of Equipment unless the Notes shall have been paid in full or due provision for the payment thereof satisfactory to the Lender shall have been made."

9. Section 13 of the Original Lease is hereby amended to read in full as follows:

"Section 13. Indemnification.

Except as otherwise provided herein, the Lessee agrees to assume liability for, and does hereby agree to indemnify, protect, save and keep harmless the Lessor, the Lender, and their respective agents, employees, shareholders, officers and directors (collectively, the Indemnitees) from and against any and all liabilities, obligations, losses, damages, penalties, claims (including, without limitation,

claims involving strict or absolute liability), actions, suits, costs, expenses and disbursements (including, without limitation, legal fees and expenses) of any kind and nature whatsoever (Claims) which may be imposed on, incurred or asserted against any Indemnatee whether or not such Indemnatee shall also be indemnified as to any such Claim by any other persons, in any way relating to or arising out of this Lease or any document contemplated hereby or the performance or enforcement of any of the terms hereof or thereof, or in any way relating to or arising out of the manufacture, purchase, acceptance, rejection, ownership, delivery, lease, sublease, possession, use, operation, maintenance, condition, registration, sale, return, storage or disposition of any Item of Equipment or any accident in connection therewith (including, without limitation, latent and other defects, whether or not discoverable and any Claim for patent, trademark or copyright infringement); provided, however, that the Lessee shall not be required to indemnify such Indemnatee with respect to (a) any Claim in respect of any Item of Equipment arising from acts or events which occur after possession of such Item of Equipment has been redelivered to the Lessor and the ninety (90) day free storage period has expired or after this Lease has been terminated pursuant to Section 11 hereof as to Items in respect of which the Claim arises, or (b) any Claim of such Indemnatee resulting from the willful misconduct or gross negligence of such Indemnatee or default by such party under this Lease, the Participation Agreement, the Term Financing Participation Agreement, the Security Agreement or the Notes. To the extent that any such Indemnatee in fact receives indemnification payments from the Lessee under the indemnification provisions of this Section 13, the Lessee shall be subrogated, to the extent of such indemnity paid, to the Lessor's or the Lender's rights with respect to the transaction or event requiring or giving rise to such indemnity. The Lessee agrees that neither the Lessor nor the Lender shall be liable to the Lessee for any Claim caused directly or indirectly by the inadequacy of any Item of Equipment for any purpose or any deficiency or defect therein or the use or maintenance thereof or any repairs, servicing or adjustments thereto, all of which shall be the risk and responsibility of the Lessee. The rights and indemnities of the Lessee hereunder are expressly made for the benefit of, and shall be enforceable by, the Lessor (including any successor Lessor) and

the Lender (including any successor Lender) notwithstanding the fact that the Lessor is no longer a party to this Lease, or was not the Lessor at the outset of this Lease or that the successor Lender was not the Lender under the Participation Agreement. Any Indemnitee shall give the party obligated to defend or indemnify it, prompt written notice of any claim or occurrence (of which it has knowledge) which may give rise to any obligations under this Section but the giving of such notice shall not be a condition to the Lessee's obligations under this Section.

10. Section 15 of the Original Lease is hereby amended in the following respects:

(a) Subsection (c) of said Section 15 is hereby amended by adding to the end of the first full paragraph thereof, after present clause (viii), the following new clause:

"(ix) This Lease becoming subject to Section 467 of the Code."

(b) Clause (5) in the second full paragraph of subsection (c) of said Section 15 shall read as follows:

"(5) Any change in the Code or Regulations (except to the extent dealing with Section 467 of the Code, as described in clause (ix) of the first paragraph of this subsection 15(c)) or any state or local tax laws."

11. Section 17 of the Original Lease is hereby amended in the following respects:

(a) Subsection (a) of said Section 17 shall read in full as follows:

"(a) The Lessee or any assignee shall fail to make any payment of Rent after the same shall become due and such failure shall continue for five (5) days; or"

(b) Subsection (d) of said Section 17 shall read in full as follows:

"(d) The Guarantor shall fail to make any payment under Section 8 of the Participation Agreement and such failure shall continue for five (5) days; or the Guarantor or the Lessee shall fail to perform or observe any other covenant, condition

or agreement to be performed or observed by it under the Participation Agreement or the Term Financing Participation Agreement or any agreement, document or certificate delivered by the Guarantor or the Lessee in connection therewith, and such failure shall continue for thirty (30) days after written notice thereof from the Lessor to the Lessee and the Guarantor; or"

12. The last full paragraph of Section 18 of the Original Lease is hereby deleted.

13. Section 22(a) of the Original Lease is hereby amended to read in full as follows:

"(a) The terms of this Lease shall not be waived, altered, modified, amended, supplemented or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee; provided, however, that if this Lease shall have been assigned pursuant to Section 4(b) hereof, the written consent of such assignee shall also be required."

14. Exhibit A to the Original Lease shall be amended and restated in its entirety, so as to read in accordance with Exhibit A attached to this Amendment.

15. Exhibit B to the Original Lease shall be amended and restated in its entirety so as to read in accordance with Exhibit B attached to this Amendment.

Except to the extent hereby amended and modified, the Original Lease is in all respects ratified, confirmed and approved.

This Amendment shall be governed by and construed in accordance with the laws of the State of California.

The terms of this Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

This Amendment may be executed in several counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered as of the day and year first above written.

FIRST COMMERCIAL BANK  
CORPORATION, Lessor

By   
Its Executive Vice President

UNITED STATES RAIL SERVICES,  
INC., Lessee

By \_\_\_\_\_  
Its \_\_\_\_\_

[SEAL]

Attest:

\_\_\_\_\_  
\_\_\_\_\_

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF SACRAMENTO )

On this 11th day of April, 1986, before me personally appeared Les E. Scott, to me personally known, who being by me duly sworn, says that (s)he is the Ex.Vice President of FIRST COMMERCIAL BANK, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Shirley D. Nelson  
Notary Public

[NOTARIAL SEAL]

My commission expires: May 19, 1986

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF SAN FRANCISCO )

On this \_\_\_\_\_ day of April, 1986, before me personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, who being by me duly sworn, says that they are the \_\_\_\_\_ and \_\_\_\_\_ of UNITED STATES RAIL SERVICES, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

My commission expires: \_\_\_\_\_



IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered as of the day and year first above written.

FIRST COMMERCIAL BANK  
CORPORATION, Lessor

By \_\_\_\_\_  
Its \_\_\_\_\_

UNITED STATES RAIL SERVICES,  
INC., Lessee

By B. N. Campbell  
Its Vice President

[SEAL]

Attest:

Frances Liu

STATE OF CALIFORNIA            )  
                                  )    SS  
COUNTY OF SACRAMENTO        )

On this \_\_\_\_\_ day of April, 1986, before me personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, says that (s)he is the \_\_\_\_\_ of FIRST COMMERCIAL BANK, that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]

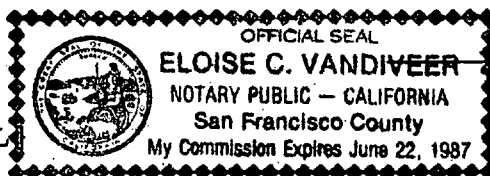
My commission expires: \_\_\_\_\_

STATE OF CALIFORNIA            )  
                                  )    SS  
COUNTY OF SAN FRANCISCO     )

On this 11th day of April, 1986, before me personally appeared Barnette N. Campbell and ~~xxxxxxxxxxxxxxxxxxxx~~, to me personally known, who being by me duly sworn, says that ~~they are~~ is the Vice President and ~~xxxxxxxxxxxxxxxxxxxx~~ of UNITED STATES RAIL SERVICES, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and they acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[NOTARIAL SEAL]

My commission expires: June 22, 1987



*Eloise C. Vandiveer*  
Notary Public

**EXHIBIT A**  
**TO**  
**EQUIPMENT LEASE**  
**CASUALTY VALUES**

The Casualty Value of each Item of Equipment shall be the percentage of Owner's Cost of such Item set forth opposite the Basic Rent Date:

<u>BASIC RENT DATE</u>	<u>CASUALTY VALUE (STATED AS A PERCENTAGE OF OWNER'S COST)</u>
January 31, 1982	107.1147
July 31, 1982	109.5844
January 31, 1983	110.4985
July 31, 1983	111.3856
January 31, 1984	112.2185
July 31, 1984	112.8239
January 31, 1985	106.1549
July 31, 1985	106.1880
January 31, 1986	105.8706
July 31, 1986	97.2636
January 31, 1987	90.8364
July 31, 1987	88.6691
January 31, 1988	86.5918
July 31, 1988	84.7592
January 31, 1989	82.8561
July 31, 1989	80.8652
January 31, 1990	78.7821
July 31, 1990	76.6020
January 31, 1991	74.3203
July 31, 1991	71.9319
January 31, 1992	69.4313
July 31, 1992	66.8129
January 31, 1993	64.0717
July 31, 1993	60.3460
January 31, 1994	56.5426
July 31, 1994	52.6836
January 31, 1995	48.8742
July 31, 1995	45.0708
January 31, 1996	41.3882
July 31, 1996	37.7442
January 31, 1997	34.2266
July 31, 1997	30.8040
January 31, 1998	27.5847
July 31, 1998	24.0623
January 31, 1999	22.1927
July 31, 1999	20.0000

**EXHIBIT B**  
**TO**  
**EQUIPMENT LEASE**  
**TERMINATION VALUES**

The Termination Value of each Item of Equipment shall be the sum of the percentage of Owner's Cost of such Item set forth opposite the Basic Rent Date plus the amount of the Termination Premium (as defined in Section 4.1(c) of the Security Agreement:

<u>BASIC RENT DATE</u>	<u>TERMINATION VALUE (STATED AS A PERCENTAGE OF OWNER'S COST)</u>
July 31, 1988	84.7592
January 31, 1989	82.8561
July 31, 1989	80.8652
January 31, 1990	78.7821
July 31, 1990	76.6020
January 31, 1991	74.3203
July 31, 1991	71.9319
January 31, 1992	69.4313
July 31, 1992	66.8129
January 31, 1993	64.0717
July 31, 1993	60.3460
January 31, 1994	56.5426
July 31, 1994	52.6836
January 31, 1995	48.8742
July 31, 1995	45.0708
January 31, 1996	41.3882
July 31, 1996	37.7442
January 31, 1997	34.2266
July 31, 1997	30.8040
January 31, 1998	27.5847
July 31, 1998	24.0623
January 31, 1999	22.1927
July 31, 1999	20.0000

## DESCRIPTION OF EQUIPMENT

Sixty (60), 100-ton, 4750 cubic foot covered hopper cars, Thrall Job No. 790-D with design changes to conform to Specification HC-100-47-224, manufactured by Thrall Car Manufacturing Company and bearing reporting marks and nos. as follows:

PCN 5104	RUSX 5105	AN 9010	BXN 5168
PCN 5109	RUSX 5106	AN 9011	BXN 5219
PCN 5115	RUSX 5108		BXN 5223
PCN 5140	RUSX 5126		BXN 5224
PCN 5141	RUSX 5127		
PCN 5149	RUSX 5128		
PCN 5162	RUSX 5129		
PCN 5163	RUSX 5130		
PCN 5164	RUSX 5131		
PCN 5165	RUSX 5132		
PCN 5166	RUSX 5133		
PCN 5167	RUSX 5134		
PCN 5169	RUSX 5135		
PCN 5170	RUSX 5136		
PCN 5192			
PCN 5202			
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